

Project against Money Laundering and Terrorist Financing in Serbia MOLI Serbia

MONTHLY REPORT No. 31/2013

Project title	Project against Money Laundering and Terrorist Financing in Serbia (MOLI Serbia)
Project duration	36 months (15 November 2010 – 15 November 2013)
Implementation	Economic Crime Cooperation Unit, Action against Crime Department (DGI-Human Rights and Rule of Law)
Project budget	EUR 2 200 000
Reporting Period	1 October – 31 October 2013
Reporting Date	5 November 2013
SUMMARY OF THE CURRENT STATUS OF THE PROJECT AGAINST INDICATORS	
Activity	Study Visit to Rome to the Guardia di Finanza, Italian Financial Intelligence Unit and Anti-Mafia Investigation Directorate, 1-4 October 2013
Output Reference	Activity 3.2.1 - Identify Countries and Structures in order to organise and carry out up to 3 study visits for APML's purposes which would aim at initiation/launching/signature of MoUs with other FIUs.
Aim	The main purpose of the study visit is to strengthen the capacity of Serbian institutions to effectively prevent money laundering and terrorism financing, as well as to promote and consolidate mutual professional relationship with their Italian counterparts
Outcome	Project against Money Laundering and Terrorist Financing (MOLI Serbia) successfully organised a study visit to Rome from 1-4 October 2013. The delegation of twelve Serbian officials from the Administration for the Prevention of Money Laundering, Ministry of Interior, Public Prosecutor's Office, Customs Administration and Police Academy paid a visit to the Guardia di Finanza, Italian Financial Intelligence Unit and the Directorate of Anti-Mafia Investigations. The visit was highly beneficial for Serbian participants as each had an opportunity to learn from the Italian experience on techniques directly related to their work in fighting money laundering and terrorism financing. The group had an opportunity to learn, among others, about the structure and tasks of the institutions visited, international cooperation in AML/CFT, operational matters related to Suspicious Transaction Reports (STRs), institutional and legal framework, strategic analysis and preparing investigative reports on money laundering. On the final day of the visit, the delegation also participated in a demonstration of the use of cash dogs by Guardia di Finanza at Rome Airport.

Follow-up	Serbian participants made excellent contacts with their Italian counterparts and it is expected that they will continue to cooperate closely with each other, particularly in the areas of mutual legal assistance, procurement of cash dogs for Serbian Customs Administration and signing of a Memorandum of Understanding with the Italian FIU. A full Study Visit report is to follow.
Activity	Workshop for drafting the National AML/CFT strategy in Orasac, 9-11 October 2013
Output Reference	Activity 6.1.3 - Support the APML in drafting a new AML/CFT national strategy (2014-2019)
Aim	To enable participants to discuss and consider the CoE Technical Paper, 'Guidance paper regarding new National AML/CFT Strategy' and to draft the 2014-2019 National Strategy on AML/CFT.
Outcome	Participants mainly relied on the content of the Guidance Paper on drafting the strategy, as prepared by Mr David Artingstall, CoE Expert, who was unable to attend the Workshop due to personal reasons. The workshop was facilitated by Mr Simon Goddard, Long Term Consultant. A roundtable discussion of the content and recommendations took place, including suggestions as to how the National Strategy for Serbia should be developed. A high level objective for the strategy was adopted, which also included the three primary threat areas identified in the National Risk Assessment. The group agreed to adopt the suggested examples of strategic themes as set out in the Guidance Paper. This was followed by a round table discussion of each theme, objective, expected results, and measures to be taken. A basic draft was decided upon which will require re-drafting and further discussion.
Follow-up	The APML will re-draft the document and circulate it for further comment and amendment. Once the Draft Strategy document is agreed, the participants will meet again to discuss the creation of the Action Plan that will underpin the Strategy. It is recognised that this process will be time consuming and require much input from all parties. Timeframe for completing this exercise was not set.
Activity	Roundtable discussion with the CoE expert, Terence Donovan, to present findings of his technical paper to the Serbian authorities, 17 October 2013
Output Reference	Activity 2.3.3 - Organise, carry out and present a research study regarding risks of money laundering and terrorist financing in the formal and informal money transfers sector.
Aim	To present results and discuss findings of the research study regarding the risks of money laundering and terrorist financing in the formal and informal money transfers sector in Serbia.
Outcome	The Roundtable discussion was well structured, with active and constructive participation from the public and private-sector attendees. The consultant sought to provide a foundation for a collaborative discussion during his 60 minute presentation of the main themes of the Technical Paper. He emphasised that the paper did not constitute an evaluation of Serbia and its recommendations should be viewed mainly as suggestions for further consideration, with the exception of the matters outstanding from the last MONEYVAL evaluation which needed to be addressed without delay. As the

	<p>attendees represented a wide variety of interests, the presentation was designed to include points of interest for each segment of the audience. The presentation was followed by a lively round-table discussion, to which almost all attendees contributed positively. The main discussion concerned the flow of diaspora cash into Serbia – its measurement, implications for the financial sector, and the potential links to the proceeds of crime. There were no requests made at the Roundtable for any amendment of the content or findings of the Technical Paper.</p>
Follow-up	<p>The final paper will be printed, published and disseminated to all relevant authorities.</p>
LIST OF SPECIFIC PROJECT DELIVERABLES (TECHNICAL PAPERS) AND OTHER DOCUMENTS	
<ul style="list-style-type: none"> • Technical Paper “Research and feasibility study of the formal and informal money transfer sector in Serbia” (Mr Terence Donovan, July 2013) (Activity 2.3.3) • Activity Report on the Roundtable on “Research and feasibility study of the formal and informal money transfer sector in Serbia”, 17 October 2013 (Activity 2.3.3) • Activity Report on the Workshop on drafting the National AML/CFT Strategy (Activity 6.1.3) 	
OTHER PROJECT RELATED DEVELOPMENTS	
<p>Upon receiving an official request by APML for an extension of the project, the project team has prepared all necessary documents to be submitted to EUD and their consideration of the request. In case the proposed activities and budget are adopted by all parties, the project will be extended by 6 months, from 15 November 2013 – 15 May 2014.</p>	
CURRENT AND ANTICIPATED PROBLEMS, INCLUDING PLANNED REMEDIAL ACTIONS	
<p>None at the time of reporting.</p>	
PLANNED ACTIVITIES FOR THE NEXT PERIOD	
<ul style="list-style-type: none"> • Awareness-raising event for Members of Parliament, November 2013 (Activity 2.2.3) • Printing and publishing of MVTs and NPO study (Activity 2.3.4) • Visit by D. Artingstall to meet with the Working Group on drafting the National Strategy (Activity 6.1.3) • Visit by H. Laferla to discuss the findings of the legal review Technical Paper with the Legal Review Working Group (Activity 1.1.1) 	
CONCLUSIONS	
<p>During the month of October 2013, MOLI Serbia activities included the organisation of a Study Visit to Rome (Activity 3.2.1), a Workshop on drafting the National Strategy (Activity 6.1.3) and a Roundtable discussion on formal and informal money transfers (Activity 2.3.2). MOLI Serbia project continues without any major obstacles.</p>	